

# **FISCAL NOTE**

## **SB 2283 - HB 2344**

March 3, 2004

**SUMMARY OF BILL:** Provides a new schedule for the determination of insurance benefits paid by the state for teachers' health insurance and retired teachers' Medicare Supplement coverage. Currently, the contribution level is set by the state insurance committee for those with 30 or more years of service. For individuals with 21 to 29 years of service, the contribution is not more than 75 percent of the contribution for teachers with 30 or more years of service. For individuals with 15 to 19 years of service, the committee makes a contribution of not more than 50 percent of the contribution made for teachers with 30 or more years of service. For individuals with 14 years or less service, the committee makes no contribution. Under the provisions of this bill, the state would pay 80 percent for 33 or more years of service, 73 percent for 32 years of service, 55 percent for 15 to 25 years of service, 50 percent for five to 15 years of service, and 45 percent for zero to five years of service.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - Exceeds \$37,000,000**

**Increase Local Govt. Expenditures - Exceeds \$4,000,000**

Estimate assumes a \$33,400,000 first-year cost to the state for the change in contributions to teachers' benefits and a \$4,100,000 first-year cost to local governments for the change in contributions for teachers outside the BEP. The increase in the first year for changes in contributions for retired teachers is \$3,800,000.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James W. White, Executive Director

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